

News

United States
Department
of Labor



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THIS RELEASE IS EMBARGOED UNTIL
7:30 A.M. CST

Friday, February 18, 2000

Consumer Price Index for Minneapolis-St. Paul, MN-WI Second Half 1999 Semiannual Average and 1999 Annual Average

Consumer prices in the Twin Cities increased 2.3 percent in the 2nd half of 1999, the U.S. Department of Labor's Bureau of Labor Statistics reported today. This was above 2nd half gains averaging 1.3 percent over the previous five years. The Consumer Price Index for All Urban Consumers (CPI-U) for the 2nd half 1999 was 165.1 (1982-84=100). Consumer prices in Minneapolis-St. Paul rose 3.2 percent in 1999. This was above gains of 2.3 percent in 1997 and 1.9 percent in 1998.

Peter J. Hebein, Regional Commissioner for the Bureau in Chicago, said a 12.9 percent increase in energy costs was responsible for about one-third of the 2nd half increase. Had energy costs remained unchanged, the overall index would have gained only 1.5 percent. Rising costs for shelter and transportation were additional factors in the 2nd half gain. The education and communication component and the other goods and services component both registered large gains but with little impact on the overall index. Relatively small increases were noted in the food and beverages and medical care components. The apparel and recreation components both posted declines from the 1st half 1999.

The housing component advanced 2.2 percent in the 2nd half. About half of this rise was attributed to a 1.3 percent increase in shelter costs. Most of the remaining increase was due to an 8.4 percent hike in the fuel and utilities index. Utility natural gas service charges were up 12.7 percent and electricity charges were up 5.6 percent from the 1st half. In 1999, housing costs rose 2.9 percent (1998 annual average to 1999 annual average). This was in-line with annual gains over the previous three years. Shelter costs were up 3.4 percent, matching the rise in 1998. The fuel and utilities index rose 3.6 percent in 1999 following a slight decline a year earlier.

Transportation costs jumped 5.0 percent in the 2nd half after posting a 2.0 percent hike in the 1st half. Just over half of the latest rise was attributed to a 17.5 percent hike in gasoline prices. This was the first increase in gasoline prices in the past six half-year periods. The transportation component increased 4.7 percent in 1999 following a 1.5 percent setback a year earlier. Gasoline prices rose 6.1 percent in 1999 after falling 11.3 percent in 1998.

The food and beverages component was up 1.5 percent in the 2nd half, well below 2nd half gains averaging 2.3 percent over the prior three years. The cost of food at home (grocery food) edged-up 0.9 percent compared to the cost of food away from home, which increased 1.9 percent. Both increases were below gains in the 2nd half one year earlier. The food and beverages component increased 3.3 percent in 1999, up from a 1.9 percent rise in 1998 but similar to annual increases averaging 3.1 percent between 1995-97.

The education and communication component advanced 3.4 percent from the 1st half 1999 after slipping 0.3 percent in the 2nd half 1998. For the year, the education and communication component was 0.2 percent lower.

The other goods and services component jumped 2.2 percent in the 2nd half, down from a 3.2 percent hike in the 2nd half 1998. Compared to 1998, the component was 10.0 percent higher.

Medical care costs rose 0.5 percent in the 2nd half, well below the 3.2 percent hike in the 1st half 1999 and the 1.8 percent average 2nd half gain over the previous five years. For the year 1999, medical care costs rose 5.0 percent. This was similar to the gain in 1998 but above increases averaging 2.1 percent annually from 1995-97.

The apparel component fell 1.3 percent in the 2nd half following a 3.2 percent drop in the 1st half. Apparel costs fell 3.4 percent in 1999, marking the 4th annual decline over the past five years. This places the apparel index at its lowest level since 1991.

Recreation costs slipped 0.2 percent in the 2nd half following a 1.6 percent rise in the 1st half 1999. For the year, recreation costs were 2.1 percent higher.

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CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U. S. City Average and for the Minneapolis-St. Paul area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier as well as the schedule release date for the next CPI issuance. The Hotline number in Minneapolis-St. Paul is (651) 290-3996.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 80 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 85 urban areas across the country from about 57,000 housing units and Approximately 19,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 85 locations. Prices of most other commodities and services are collected every month in the five largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives. Mail questionnaires are used to obtain utility rates, some fuel prices, and certain other items.

In calculating the index, price changes for the various items in each location are averaged together with weights which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each area since the base period.

The index measures price change from a designated reference date- 1982-84-which equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see BLS Handbook of Methods, Bulletin 2490, Chapter 17, April 1997 The Consumer Price Index.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods

Minneapolis-St. Paul, MN-WI (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes		Percent change to 2nd half 1999 from—	
	1st half 1999	2nd half 1999	2nd half 1998	1st half 1999
Expenditure category				
All items	161.4	165.1	3.6	2.3
All items (1967=100)	507.4	518.9	-	-
Food and beverages	170.8	173.4	2.9	1.5
Food	167.7	169.7	2.6	1.2
Food at home	162.9	164.3	3.0	.9
Food away from home	174.4	177.7	2.3	1.9
Alcoholic beverages	197.4	208.1	5.4	5.4
Housing	147.6	150.8	3.4	2.2
Shelter	164.5	166.7	3.5	1.3
Rent of primary residence	161.7	166.3	4.4	2.8
Owners' equivalent rent of primary residence ¹	170.3	171.9	2.7	.9
Fuels and utilities	118.5	128.4	6.2	8.4
Fuels	106.0	115.8	6.2	9.2
Gas (piped) and electricity	109.5	119.0	5.7	8.7
Electricity	136.8	144.5	.6	5.6
Utility natural gas service	91.6	103.2	12.2	12.7
Household furnishings and operations	126.2	128.3	.5	1.7
Apparel	140.2	138.4	-4.5	-1.3
Transportation	144.9	152.2	7.1	5.0
Private transportation	136.4	142.1	4.6	4.2
Motor fuel	89.0	104.4	16.4	17.3
Gasoline (all types)	89.3	104.9	16.4	17.5
Gasoline, unleaded regular ²	89.8	104.8	16.2	16.7
Gasoline, unleaded midgrade ^{2 3}	95.6	110.8	15.4	15.9
Gasoline, unleaded premium ²	95.5	114.0	17.3	19.4
Medical care	240.6	241.7	3.6	.5
Recreation ⁴	103.4	103.2	1.4	-.2
Education and communication ⁴	97.6	100.9	1.6	3.4
Other goods and services	254.9	260.5	9.5	2.2
Commodity and service group				
All items	161.4	165.1	3.6	2.3
Commodities	148.0	150.9	2.4	2.0
Commodities less food and beverages	135.4	138.2	2.1	2.1
Nondurables less food and beverages	143.4	148.6	4.1	3.6
Durables	126.9	127.3	-.2	.3
Services	174.4	178.7	4.4	2.5
Special aggregate indexes				
All items less medical care	157.3	161.0	3.5	2.4
All items less shelter	161.3	165.5	3.7	2.6
Commodities less food	138.3	141.4	2.2	2.2
Nondurables	157.3	161.2	3.5	2.5
Nondurables less food	147.4	153.0	4.2	3.8
Services less rent of shelter ¹	191.7	198.6	5.5	3.6
Services less medical care services	167.6	172.0	4.4	2.6
Energy	98.2	110.9	10.9	12.9
All items less energy	169.8	172.4	3.0	1.5
All items less food and energy	170.4	173.2	3.2	1.6

¹ Index is on a December 1982=100 base.

² Special index based on a substantially smaller sample.

³ Indexes on a December 1993=100 base.

⁴ Indexes on a December 1997=100 base.

- Data not available.